



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

June 4, 1998

H.R. 3736 **Workforce Improvement and Protection Act of 1998**

As ordered reported by the House Committee on the Judiciary on May 20, 1998

CBO estimates that implementing this legislation would cost less than \$1 million over the next two years, assuming the appropriation of the necessary amounts. The bill would affect direct spending and receipts, so pay-as-you-go procedures would apply, but the net effects would be less than \$500,000 a year. H.R. 3736 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would have no impact on the budgets of state, local, or tribal governments.

H.R. 3736 would change the number of nonimmigrant (temporary) visas available for certain workers and make other changes to current laws relating to the employment of nonimmigrants. The bill also would direct the General Accounting Office (GAO) to prepare two reports relating to the information technology industry. Finally, H.R. 3736 would provide for new and increased civil penalties for employers that violate certain laws relating to hiring nonimmigrant labor.

H.R. 3736 would increase the number of nonimmigrant visas available for certain skilled workers by 30,000 in fiscal year 1998, by 40,000 in 1999, and by 50,000 in 2000. By these same amounts, the bill would decrease the number of visas available for unskilled laborers from 1998 through 2000. CBO expects that the number of visas granted to skilled workers would increase by the full amounts permitted by the bill over the 1998-2000 period, but that the number of visas granted to unskilled laborers probably would decrease by much smaller amounts or not at all because of lower demand for unskilled workers. (The current annual cap on unskilled workers is 66,000, but only about 20,000 visas will be issued in 1998; thus, the bill's 1998 cap of 36,000 would not affect the number of visas granted to unskilled laborers.)

Assuming enactment of the bill by the end of July, CBO estimates that the net increase in visas issued would average about 30,000 a year over the 1998-2000 period. The fee for each visa is \$85, so enacting the bill would increase fees collected by the Immigration and Naturalization Service (INS) by about \$2.5 million in each of fiscal years 1998 through 2000. (The effects on the number of visas issued and INS collections and spending in fiscal year

1998 could be significantly smaller if the bill is after July 31.) We expect that the INS would spend the fees (without appropriation action), mostly in the year in which they are collected, so enacting H.R. 3736 would result in a negligible impact on net spending by the INS.

H.R. 3736 would require GAO to prepare, no later than October 1, 2000, a report assessing age discrimination in the information technology industry and a report on the labor market for that field. Based on information from the agency, CBO estimates that GAO would spend about \$900,000 over the next two years to conduct the two studies, assuming appropriation of the necessary amounts.

The bill's provisions relating to new and increased civil penalties could result in increased collections of civil fines. These fines are classified as revenues (governmental receipts), but we estimate that any such increase would be less than \$500,000 annually.

The CBO staff contacts for this estimate are Mark Grabowicz and Mary Maginniss. This estimate was approved by Robert A. Sunshine, Deputy Assistant Director for Budget Analysis.